



# House of Representatives

General Assembly

**File No. 643**

*January Session, 2001*

Substitute House Bill No. 6971

*House of Representatives, May 7, 2001*

The Committee on Finance, Revenue and Bonding reported through REP. MCDONALD of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING SALES TAX TREATMENT OF CERTAIN WIRELESS TELECOMMUNICATIONS TECHNOLOGIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (112) of section 12-412 of the general statutes  
2 is repealed and the following is substituted in lieu thereof:

3 (112) Sales of equipment to a telecommunications company or  
4 community antenna television company, as defined under section 16-1,  
5 that is used to provide (A) telecommunications, high-speed data  
6 transmission or broad-band Internet services which offer the capability  
7 to transmit information at a rate that is not less than two hundred  
8 kilobits per second in at least one direction, or (B) wireless digital  
9 technologies that are capable of transmitting data at a rate of not less  
10 than forty-two kilobits per second in at least one direction.

11 Sec. 2. This act shall take effect July 1, 2001, and shall be applicable  
12 to sales occurring on or after said date.

**FIN**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** Revenue Loss

**Affected Agencies:** Department of Revenue Services

**Municipal Impact:** None

**Explanation****State Impact:**

The bill is anticipated to result in the following General Fund revenue loss:

Fiscal Year	Estimated Revenue Loss
FY 02	\$1.0 million
FY 03	\$1.5 million
FY 04	\$2.0 million

The estimates are based on projections of capital spending by wireless companies on high-speed technologies over the next three years. Losses beyond FY 04 will be dependent on the future level of capital expenditures as well as the development of new technologies.

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**OLR BILL ANALYSIS**

sHB 6971

***AN ACT CONCERNING SALES TAX TREATMENT OF CERTAIN  
WIRELESS TELECOMMUNICATIONS TECHNOLOGIES.***

**SUMMARY:**

This bill expands a sales tax exemption for equipment telecommunications and cable TV companies buy to provide high-speed data transmission services. The new exemption covers wireless digital technologies that can transmit data at a minimum speed of 42 kilobits per second in at least one direction. The current exemption applies to telecommunication, high-speed data transmission, and broadband Internet service equipment that can transmit information at a minimum speed of 200 kilobits per second in at least one direction.

EFFECTIVE DATE: July 1, 2001 and applicable to sales on or after that date.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 42      Nay 1